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| DISTRICT COURT, CITY AND COUNTY OF DENVER, COLORADO 1437 Bannock Street Denver, CO 80202 <hr/> GERALD ROME, Securities Commissioner for the State of Colorado, Plaintiff, v. CHADBOURN PARTNERS, LLC, a/k/a CHADBOURN PARTNERS, INC.; DANIEL R. MURPHY; and HENRY DYER WIGGINS, JR., Defendants. | <p style="text-align: center;">▲ COURT USE ONLY ▲</p> |
| | Case No.: 14CV30611 Courtroom: 409 |
| <p style="text-align: center;">STIPULATION FOR ORDER OF PERMANENT INJUNCTION AND OTHER RELIEF FOR DEFENDANT CHADBOURN PARTNERS, LLC, a/k/a CHADBOURN PARTNERS, INC.</p> | |

Plaintiff, Gerald Rome, Securities Commissioner for the State of Colorado (the “Commissioner”), by and through his counsel, the Colorado Attorney General, and Defendant Chadbourn Partners, LLC, a/k/a Chadbourn Partners, Inc. (“Chadbourn” or “Defendant”), by and through its managing member, Daniel R. Murphy, hereby stipulate and agree as follows:

WHEREAS, the Commissioner commenced this action on February 11, 2014, by filing a Complaint for Injunctive and Other Relief seeking injunctive and other relief against all Defendants; and

WHEREAS, the Court has jurisdiction over Defendants and the subject matter of this action; and

WHEREAS, the parties believe that it is in their best interests to enter into this Stipulation to reduce costs of litigation and promote a fair, just, and equitable resolution of this action;

NOW, the Commissioner and Chadbourn agree as follows:

1. Chadbourn voluntarily consents to the entry of an Order of Permanent Injunction and Other Relief ("Order") in the form attached hereto as Exhibit A and incorporated herein by reference.

2. Chadbourn stipulates to the entry of judgment in favor of the Commissioner and against Defendant in the principal amount of \$879,000 in the form attached hereto as Exhibit A, which represents restitution to injured investors as contemplated by § 11-51-602, C.R.S.

3. In the event that Chadbourn files for bankruptcy protection, the Defendant stipulates that the following circumstances exist:

- A. The obligations incurred as a result of this Stipulation are for the violation of Colorado state securities laws, pursuant to 11 U.S.C. § 523(a)(19)(A)(i);
- B. This Stipulation and the resulting Order of Permanent Injunction and Other Relief constitute a judgment, order, consent order, or decree entered in a state proceeding pursuant to 11 U.S.C. § 523(a)(19)(B)(i), a settlement agreement entered into by the Defendant pursuant to 11 U.S.C. § 523(a)(19)(B)(ii), and a court order for damages, fine, penalty, citation, restitution payment, disgorgement payment, attorney fee, cost or other payment owed by the Defendant pursuant to 11 U.S.C. § 523(a)(19)(B)(iii).

Chadbourn understands and acknowledges that by agreeing to these terms, it is stipulating to the underlying facts that a bankruptcy court must examine to determine whether the within judgment is non-dischargeable pursuant to 11 U.S.C. § 523(a)(19).

4. Chadbourn may provide the Commissioner with documentary evidence, satisfactory to the Commissioner, reflecting payments made by Chadbourn to Chadbourn investors. At the end of each calendar year in which

Chadbourn has provided satisfactory evidence of payments by him to investors, the Commissioner agrees to file a motion with the Court requesting a reduction of the judgment described in paragraph 2 by the amount of those payments.

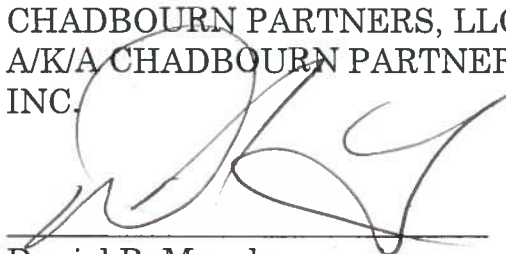
5. By entering into this Stipulation, Defendant neither admits nor denies that any of the allegations, grounds or claims of liability against it contained in the Complaint are true, except to the extent necessary to establish non-dischargeability in any future bankruptcy proceeding, as described in paragraph 3 herein. Defendant also admits that this Court properly has jurisdiction over the subject matter of this action and it as to this action or any related action.

6. By consenting to the entry of the Order, Defendant agrees not to take any action or to make, or permit to be made, any public statement denying, directly or indirectly, any Finding or Conclusion in the Order or creating the impression that the Order is without factual basis. The Defendant shall take all necessary steps to ensure that all of its agents and employees understand and comply with this agreement.

7. Chadbourn hereby waives further service of the Permanent Injunction and the Order attached hereto as Exhibit A, to the extent that any service is required pursuant to C.R.C.P. 65, and agrees that issuance of the Order of Permanent Injunction and Other Relief by the Court shall constitute notice of its terms.

8. Chadbourn acknowledges that it has had the opportunity to discuss this Stipulation and accompanying Order with an attorney of its choice prior to executing this Stipulation, and that it has voluntarily executed this Stipulation and understood the legal consequences of this Stipulation and accompanying Order, and that no promise, threat, or inducement of any kind, except as stated herein, has been made to induce him to enter into this Stipulation.

CHADBOURN PARTNERS, LLC,
A/K/A CHADBOURN PARTNERS,
INC.


Daniel R. Murphy
Managing Member


Date

Subscribed to and sworn to before me by Daniel R. Murphy as Managing Member of Chadbourn Partners, LLC in Duval County, State of Florida, this 4th day of August, 2014.

Barbara G. Kozak
Barbara G. Kozak
NOTARY PUBLIC

My Commission expires:

8/13/14
Date



Gerald Rome
Gerald Rome, Securities Commissioner

Approved as to form:

JOHN W. SUTHERS
Attorney General

Charles J. Kooyman

Charles J. Kooyman, No. 43595
Assistant Attorney General
Financial and Health Services Unit
Business & Licensing Section
1300 Broadway, 8th Floor
Ralph L. Carr Judicial Center
Denver, Colorado 80203
Ph: 720-508-6440
Fax: 720-508-6037

Counsel for Plaintiff